



U.S. Department of Housing and Urban Development

**Philadelphia Office
The Wanamaker Building
100 Penn Square East
Philadelphia, Pennsylvania 19107-3380**

MAY 27 2015

The Honorable Vaughn Spencer
Mayor of Reading
City Hall
815 Washington Street
Reading, PA 19601-3690

Dear Mayor Spencer:

**SUBJECT: Annual Community Assessment
City of Reading, Pennsylvania
January 1, 2014 through December 31, 2014**

The provisions of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require the annual submission of performance reports by grant recipients receiving federal assistance through programs covered under these Acts. Additionally, these Acts require that a determination be made by the Secretary of HUD that the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received.

The Consolidated Plan regulations at 24 CFR 91.525 require this Department to evaluate and report to the public on a community's overall progress in the management of its program funds, compliance with the Consolidated Plan, the accuracy of performance reports, and the extent to which progress has been achieved toward the statutory goals identified in Section 91.1. This letter serves to apprise you of our assessment of the City of Reading's overall progress.

In making our evaluation, we relied primarily upon the City's submission of the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2014. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and Emergency Shelter Grant (ESG) Programs, as well as the Recovery Act programs. In addition, we took into account technical assistance, follow up conversations and electronic mails with the City's staff and the handling of citizen comments and complaints. This letter is a summary of our review of the City of Reading's overall performance.

As you know, under the update to the Part 91 Consolidated Planning regulations that came into effect March 13, 2006, all Annual Action Plans and Consolidated Annual Performance and Evaluation Reports (CAPER) are required to include performance measures as part of their annual reporting. The Office of Management and Budget (OMB) has deemed this information necessary to validate the continued funding of HUD programs. The City provided performance measures as required by this guidance.

The HUD timeliness requirement is that a community may have no more than 1.5 times their most recent annual grant remaining in the line of credit 60-days prior to the end of their program year. When the 60-day timeliness test was conducted on November 2, 2014, it was calculated that the City of Reading had a balance in its line of credit of 0.87 times its annual grant, which is in compliance with the timeliness standard.

During the 2014 program year, the first of the three-year 2014, 2015, 2016 certification period, the City expended 85.13 percent of its CDBG funds, which meets the primary objective of the Housing and Community Development Act of 1974. In addition, the City obligated 14.79 percent on public service activities, which meets the 15 percent regulatory cap. Also, 18.95 percent of CDBG funds were obligated on planning and administration, which is within the 20 percent regulatory cap.

The City met the HOME requirements for expenditure by committing all funds to projects within two years and expending funds within five years, as well as providing at least 15 percent of HOME funding to Community Housing Development Organizations (CHDO). We also remind the City that all HOME projects should be closed within 120 days of their final draw, and that it must continue to ensure meeting all HOME deadline requirements by reviewing the compliance reports on line.

The City included in its CAPER their role in affirmatively furthering fair housing and identifying impediments to fair housing. The City's Office of Fair Housing addresses all complaints regarding any unlawful impediments through outreach and education, initiating and investigating complaints and providing the opportunity for remedy or recourse. In addition, during Program Year 2014, the following was accomplished:

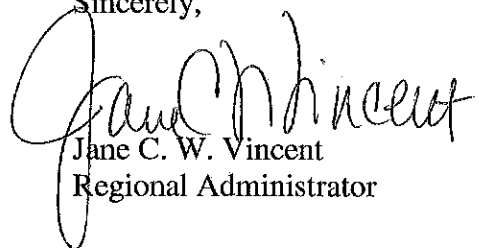
- Responded to 337 housing discrimination walk-in complaints;
- Responded to 330 housing related telephone calls;
- 346 cases required action;
- Participated in or presented at 17 fair housing outreach and educational activities (English and Spanish);
- Conducted 1 broadcast on radio, 1 show on BCTV and 9 fair housing/employment classes;
- Developed and distributed 100 brochures (Spanish/English); and
- Distributed 600 Bags (which includes information on housing/employment discrimination, fair housing booklets).

We commend you for these efforts. Our Office of Fair Housing and Equal Opportunity (FHEO) has reviewed the CAPER and recommends the update of the City's Analysis of Impediments, since it was last completed in 2008. FHEO indicated that the 2014 CAPER failed to include the identified impediments and the actions taken regarding those impediments. FHEO reminds the City that part of the certification to affirmatively further fair housing is to conduct an analysis of impediments, take actions to ameliorate the identified impediments and maintain a record of the impact of those actions. The City's AI is over seven years old and should be updated to reflect the changes in the demographics, as well as issues that impede fair housing choice. FHEO commends the City for recognizing the existence of unlawful discriminatory practices and funding the Reading Human Relations Commission to address complaints. Also, FHEO commends the City for remedying the noise ordinance that required a landlord to evict tenants that have the police called to their residence three or more times during a calendar year. Please note that FHEO is available to provide technical assistance regarding affirmatively furthering fair housing upon your request.

We ask that you review our assessment of your performance and provide any comments that you may have within 35 days of the date of this letter. Upon receipt, we will evaluate your comments and make any revisions that are deemed appropriate. If you do not have any comments, we request that you formally notify us of that fact within the 35-day timeframe. Where no comments are received within the designated timeframe, our initial letter will serve as our final assessment of the City's performance for this program year. To facilitate and expedite citizen access to our performance letter, we request that you inform the general public and interested citizens' organizations and non-profit entities of its availability. If, for any reason, the City chooses not to do so, please be advised that our office is obligated to make the letter available to the public. We appreciate your cooperation in this matter.

We look forward to continuing to work with you and members of your staff to accomplish Departmental goals and mutual objectives to develop viable urban communities. We would also be pleased to provide you with any information on resources that may be available to your community. If you need assistance, or if you have any questions concerning the content of this letter, please contact Mr. Nadab O. Bynum, Community Planning and Development Director, at (215) 861-7652 or Ms. Xiaomin Cai, Community Planning and Development Representative, at (215) 861-7655. This office may be reached via text telephone (TTY), by dialing (215) 656-3452.

Sincerely,



Jane C. W. Vincent
Regional Administrator

cc:

Mr. Lenin Agudo